

EXHIBIT C



JAMES P. HAYES, JR.
Commissioner

State of Alabama Department of Revenue

Montgomery, Alabama 36132
(www.ador.state.al.us)

GEORGE E. MINGLEDORFF III
Assistant Commissioner
LEWIS A. EASTERLY
Secretary

July 15, 1999

Chemical Waste Management, Inc.
Mr. C. Ellis Brazeal III
Walston, Wells, Anderson,
& Bains, LLP
505 20th Street North, Suite 500
P. O. Box 830642
Birmingham, Alabama 35283-0642

Re: Memorandum of Understanding

Dear Sir:

Chemical Waste Management, Inc. ("CWM"), has submitted a petition for refund to the Alabama Department of Revenue dated June 24, 1999, in which CWM also seeks a revenue ruling as to future waste disposal fees. In that petition for refund, CWM seeks in excess of \$4 million in fees that it believes were improperly paid to the State of Alabama based upon the State's interpretation of Ala. Code § 22-30B-2(c) (1975) (the "Fee Act") and based upon the alleged unconstitutionality of the Fee Act as it applies to non-hazardous waste.

This letter confirms that the Department and CWM have agreed to resolve this petition for refund on the following basis:

1. CWM will, and does hereby, dismiss with prejudice its petition or claim for refund insofar as it relates to fees paid based upon the State's interpretation of the Fee Act (specifically charging the wastes enumerated in the petition at \$51.00 per ton versus \$21.00 per ton).
2. The petition for refund is hereby dismissed without prejudice insofar as the equal protection argument is concerned (specifically whether it is constitutional to assess a \$21.00 per ton fee on wastes which can be disposed of other than in the State for no fee).

Chemical Waste Management, Inc.
July 15, 1999
Page 2

3. With regard to the imposition, or collection, of fees for waste disposed at the CWM Emelle facility after the date of this agreement, the fees shall be reduced as follows:
 - a. the fee on Mega-Rule PCB waste (that which may be disposed in a Subtitle D landfill pursuant to 40 CFR - §§ 750 and 761) shall be \$21.00 per ton (consisting of \$11.60 per ton under § 22-30B-2(c)(4) together with the other fees under said article amounting to \$9.40 per ton); and
 - b. the fee on decharacterized waste (that which has been treated to remove its hazardous characteristics in accordance with EPA's "Land Ban Regulations" set forth at 40 CFR 268.40) shall be \$21.00 per ton (consisting of \$11.60 per ton under § 22-30B-2(c)(4) together with the other fees under said article amounting to \$9.40 per ton).
4. CWM will generate certified disposal tickets evidencing the nature, and amount disposed, of the referenced waste.

If CWM agrees to this disposition of its petition for tax refund, please sign the enclosed original copy of this letter and return it to my attention.

Very truly yours,



James P. Hayes Jr.
Commissioner of Revenue

Chemical Waste Management, Inc.

July 15, 1999

Page 3

Agreed to by:

CHEMICAL WASTE MANAGEMENT, INC.

By

Rodger Henson

Name Rodger Henson

Its Division Manager

Attested by:

Ellis Brazel

Name Ellis Brazel

Date 7/16/99